

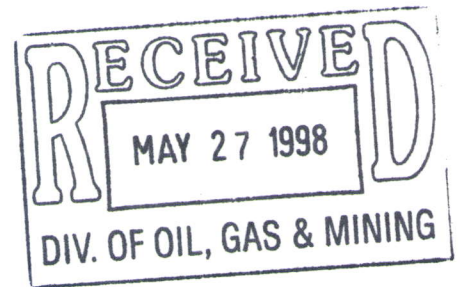


## American Gilsonite Company

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*Bonanza Mining Operations*

*m/047/010*



May 22, 1998

D. Wayne Hedberg  
Utah Division of Oil, Gas & Mining  
1594 W. N. Temple Suite 1210  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

Dear Mr. Hedberg:

In response to your letter of May 4, 1998, we are submitting additional information as requested.

### **R647-4-104-Filing Requirement and Review Procedures**

WH-11 is reclaimed and vegetative cover is good. The site should be released. WH-12 site is in the process of being reclaimed. All openings into the mine have been sealed. One head-frame remains and the site needs to be seeded.

### **R647-4-105 Maps, Drawing and Photograph**

**105.1 Topographic base map, boundaries pre-act disturbance.** The proposed shafts in this mine plan are WH-3 and WH-7. There will also be four escape shafts. One on each end of each mine. WH-2 and WH-5 are pre-act mines. They have been reclaimed and they will not be reentered or used in any way.

### **R647-4-106 Operation Plan**

**106.2 Type of operations conducted, mining method, processing etc.** The ore will be mined by sinking a shaft and mining underground up to the surface. Surface rock and dirt will be supported with timber and lagging and thus there will be no surface disturbance between the shafts until the vein is blasted closed.

The escape shaft will consist of a ladderway to the surface and possibly a small material hoist. Due to the steep terrain between WH-3 and the west escape a minimum of 20 feet of Gilsonite will be left to support the surface and the vein will not be blasted in this section. There will not be a road built west of WH-3. The old shafts WH-2 and WH-5 will not be entered or used.

**106.3 Estimated acreages disturbed, reclaimed, annually.** The 2.3 acres for the open vein will not be disturbed until the reclamation of the area is started. The mining will not disturb this area at all. It will be disturbed in the reclamation process. As soon as the area is blasted the area will be graded and seeded. WH-11, LE-4, PW-3, PW-4, and H-1 are reclaimed and should be eligible for release.

**106.4 Nature of Materials Mined, Waste and Estimated Tonnages.** Annual production is estimated at 5-6,000 tons. The overburden will not be disturbed or moved in the mining process. During reclamation the area will probably experience some upheaval which will require grading after the blast.

**106.5 Existing soil types, location, amount.** No soils will be moved in this mining process.

#### **R647-4-107 Operation Practices**

##### **107.1 Public safety & welfare**

**107.1.11 Closing or guarding shafts & tunnels.** All shafts and escapeways will be fenced with six foot chain link fence which will be locked when the mine is not in operation.

**107.1.12 disposal of trash, scrap, debris.** All trash and debris will be held in garbage cans until it can be removed from site and hauled to the Bonanza landfill.

**107.1.15 Constructing berms, fences, etc. above high walls.** The vein will not be opened to the surface except at shafts and escapeways which will be fenced.

**107.2 Drainages to minimize damage.** There is one large wash crossing the vein and several smaller ones. The overburden in the area of the large wash is probably 20' thick which is sufficient to contain the intermittent flows in the wash. After the vein is blasted the drainage will be regraded to the original contour.

#### **R647-4-109 Impact Assessment**

**109.4 Slope stability, erosion control, air quality, safety.** Mining will be stopped 50 feet from State Road 45 and the blast will completely fill the vein. Therefore, the blast will have no effect on State Road 45.

**109.5 Actions to mitigate any impact.** There will be no impacts to State Road 45.

#### **R647-4-110 Reclamation Plan**

**110.2 Roads, highwalls, slopes, drainages, pits, etc., reclaimed.** WH-2 and WH-5 are pre-act mines which will not be reentered or reactivated in any way and thus additional reclamation should not be required. There will not be any new roads from WH-3 to WH-2. WH-3 and WH-7 will be blasted closed at the same time the rest of the vein is closed and the site will also be reclaimed at the same time.

**110.3 Description of facilities to be left (post mining use)** Currently there is a power line across this lease and a road to maintain it. These will be left for use in mining areas further west on this vein.

#### **R647-4-111 Reclamation Practices**

##### **111.1 Public safety & welfare.**

**111.1 Sealing shafts & tunnels.** WH-2 is a pre-act mine and will not be reentered and should not require reclamation. However this shaft is currently sealed with a concrete cap and it will remain in place.

**111.2 Reclamation of natural channels.** When the area under these drainage channels is blasted they will be graded back to the original contours.

**111.12 Topsoil redistribution.** The topsoil will not be disturbed and will remain in place.

**R647-4-112 Variance.** No variances are requested

**R647-4-113 Surety Cost estimate for vein closure.**

Vein length - 2000 feet	
Average depth of Mining and blast holes - 200 feet	
Hole Spacing - 20 feet	
Number of blast holes - 100	
Drilling rate - 400 feet/day	
Drilling cost (labor) - \$40/hour	\$20,000
Blasting agent - 130,000 # @ .175	\$25,000
Fuel, Bits, Etc.	\$15,000
Grading and Reseeding	<u>\$10,000</u>
Total Cost	\$70,000

Thank you for reviewing this mining plan.

Sincerely,



Neldon Kunz  
Mine Superintendent

NK/lgb